

MAR 25 1985 -3 45 PM

COLLATERAL ASSIGNMENT

INTERSTATE COMMERCE COMMISSION

THIS ASSIGNMENT is by and between CIS RAIL CORPORATION, a California corporation with an office and place of business located at 909 Montgomery Street, San Francisco, California 94133, ("Assignor") and KENNETH J. HOFFER, an individual with an office and a place of business located at 1407 Georgina Avenue, Santa Monica, California 90402, ("Assignee").

WHEREAS

A. Pursuant to an agreement of lease between Assignor, as lessee, and Assignee, as lessor, (the "Lease") Assignor has leased the Equipment, as defined in the Lease, and is entitled to collect payments due or to become due to Assignee under the User Lease and any Permitted Sublease, as those terms are defined in the Lease; and

B. Assignee is entitled to protect its ownership interest by enforcing the Lease (e.g., to enforce the maintenance, insurance and other obligations of Assignor as lessee) and to similarly protect its interests as against any sublessee; and

C. The parties intend hereby to provide Assignee the additional right to enforce the payment obligations of Assignor

under the Lease by entitling Assignee hereunder to collect any sum from the User, as defined in the Lease, or any subsequent user, which Assignor shall fail to pay:

NOW, THEREFORE, IT IS AGREED:

In consideration of One Dollar (\$1.00) lawful money of the United States of America and other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby assigns, transfers and sets over unto Assignee and its successors and assigns, all of Assignor's right, title and interest in and to all payments due, or to become due to Assignor under the User Lease and any Permitted Sublease (hereinafter collectively referred to as the "Permitted Leases"), whether as rent, late charges, damages, insurance payments, termination payments, loss payments, indemnities or otherwise, and any and all proceeds of the Permitted Leases, within the meaning of the Uniform Commercial Code, together with all of the rights and remedies of the Assignor under the Permitted Leases to enforce, collect, receive and receipt for any and all of the foregoing sums assigned; provided, however, that this Assignment and all rights conveyed hereby are expressly made subject and subordinate to the Liens, as defined in the Lease, and any lien arising out of any indebtedness permitted pursuant to Section 9.2 of the Lease.

This Assignment is made and delivered to the Assignee concurrently with the execution of the Lease, as collateral security for the payment of all rent and the performance of all obligations by Assignor under the Lease. Anything in this Assignment to the contrary notwithstanding, (i) the Assignee shall not be entitled to proceed against the Permitted Leases or to collect the rents or other proceeds therefrom or to exercise other rights in connection therewith granted herein, unless and until there shall occur an Event of Default, as defined in the Lease; (ii) so long as no default under the Lease shall have occurred and be continuing, all moneys received by Assignor under the Permitted Leases shall be so received by Assignor under the the Permitted Leases free and clear of this Assignment and Assignee shall have no interest whatsoever therein or thereto and shall have no right to make any claim thereto or to trace such moneys in the hands of Assignor; and (iii) Assignee shall have rights only to moneys due and becoming due under the Permitted Leases while Assignor is in default under the Lease and, after its termination, subject to the prior rights of the holders of the Liens or any bank or financial institution as permitted under Section 9.2 of the Lease.

It is expressly agreed that, notwithstanding anything contained herein to the contrary, Assignor shall remain liable under the Permitted Leases to perform all of the obligations assumed by it thereunder and Assignee shall have no obligations

or liabilities thereunder by reason of or arising out of this Assignment, nor shall Assignee be required or obligated in any manner to perform or fulfill any obligations of Assignor under or pursuant to the Permitted Leases or to make any payment to be made by Assignor thereunder, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

In the event that an Event of Default shall have occurred under the Lease, Assignor does hereby constitute Assignee Assignor's true and lawful attorney, irrevocably, with full power (in the name of Assignor, or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all rents, moneys and claims for moneys due or to become due under or arising out of the Permitted Leases, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which Assignee may deem necessary or advisable in the premises. Assignor shall execute such financing statements with respect to Permitted Leases as Assignee shall reasonably request evidencing Assignee's interest therein.

The Assignor agrees that at any time and from time to time, upon the written request of Assignee, Assignor will promptly and duly execute and deliver any and all such further

instruments and documents as Assignee may reasonably require in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

Assignor does hereby represent and warrant that except for the Liens, it has not assigned or pledged, and hereby covenants, that, except as permitted by Section 9.2 of the Lease, it will not assign or pledge as long as this instrument of Assignment shall remain in effect, the whole or any part of the rents, moneys, claims and rights hereby assigned, to anyone other than Assignee, except such assignment or pledge as is expressly subject and subordinate to the interest of Assignee hereunder, and that it will not take or omit to take any action the taking or omission of which might result in alteration or impairment of the Permitted Leases, this instrument of Assignment or of any of the rights created by any of such instruments.

Any rentals and other moneys received by Assignee pursuant to the foregoing Assignment shall be applied by Assignee to the payment of rent and any other obligations of Assignor under the Lease when due and payable. Any balance remaining shall be the property of Assignor.

This Assignment may not be altered, modified or amended, except by a written amendment signed by both Assignee and Assignor.

The rights and obligations of the parties hereto inure to the benefit of, and binding and enforceable upon, the respective successor, assigns and transferees of the parties hereto. Assignee may not assign this Assignment or the obligations created or benefits conferred hereby, without the prior written consent of Assignor.

This Assignment shall be governed by, and interpreted under, the laws of the State of California, applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws.

This Assignment shall be acknowledged by the parties hereto and subsequently recorded with the Interstate Commerce Commission pursuant to Section 11303 of Title 49 of the United States Code as soon as reasonably possible after the execution of this Assignment.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

CIS.1009.8.83/9.1.84A
KENNETH J. HOFFER --- 12/21/84

IN WITNESS WHEREOF, Assignor has caused this instrument
of assignment to be executed as of this 20th day of December,
1984.

ASSIGNEE:

KENNETH J. HOFFER,
an individual

By: 

(Authorized Signatory)

ASSIGNOR:

CIS RAIL CORPORATION,
a California corporation

By: 

(Authorized Signatory)

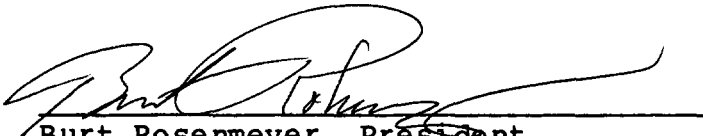
AFFIDAVIT OF BURT ROSENMEYER

STATE OF CALIFORNIA } SS
COUNTY OF LOS ANGELES }

BURT ROSENMEYER, being duly sworn states as follows:

1. I am the President of CFS Planning Corporation, a California corporation ("CFS"), and I am authorized to make this Affidavit for and on its behalf. I know the following facts of my own personal knowledge and could and would testify competently thereto.

2. The copies of the Collateral Assignment, dated December 20, 1984, attached hereto, and made a part hereof, are certified by the undersigned to be true and correct copies of the originals of each of the respective documents.


Burt Rosenmeyer, President
CFS Planning Corporation

Sworn to before this 26th day of March, 1985.


Notary Public

